

26 June 2025

## Notice of General Meeting

Dear Shareholder,

Xstate Resources Limited (**Xstate** or **the Company**) will be holding a General Meeting of shareholders at 10:00am (**AWST**) on 28 July 2025 at Vibe Hotel, 9 Alvan Street, Subiaco WA 6008.

In accordance with section 110D of the Corporations Act 2001 (Cth), the Company will not be dispatching physical copies of the Notice of Meeting (**NoM**) to shareholders unless a shareholder has elected to receive notices of meeting in hard copy pursuant to section 110E, or who otherwise requests a hard copy. Instead, a copy of the NoM can be viewed and downloaded online at the following link:

[www.xstateresources.com/asx-announcements/](http://www.xstateresources.com/asx-announcements/)

Should you wish to receive a physical copy of the NoM, please contact the Company Secretary on [companysecretary@xstateresources.com.au](mailto:companysecretary@xstateresources.com.au) or via phone to +61 8 9435 3200.

A copy of the proxy form is enclosed in the NoM located at the above link. Proxy votes may be lodged by either of the following methods:

- By mail to PO Box 584, Fremantle, WA 6959; or
- By scan and email to the Company Secretary.

Your proxy voting instruction must be received by 10:00am (AWST) on 26 July 2025, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after this time will not be valid for the meeting.

The NoM is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the NoM, please contact the Company Secretary.

Regards,

**Jordan McArthur**

*Company Secretary*

Xstate Resources Limited

Tel Office: +61 8 9435 3200

Email: [companysecretary@xstateresources.com.au](mailto:companysecretary@xstateresources.com.au)



## **XSTATE RESOURCES LIMITED**

ACN 009 217 154

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### **NOTICE OF GENERAL MEETING**

### **PROXY FORM**

### **AND**

### **EXPLANATORY STATEMENT**

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Notice is given that the General Meeting will be held at:

**TIME: 10:00am (AWST)**

**DATE: 28 July 2025**

**PLACE: Vibe Hotel, 9 Alvan St, Subiaco WA 6008**

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm AWST on 26 July 2025.*

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**BUSINESS OF THE GENERAL MEETING**

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**AGENDA**

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**1. RESOLUTION 1 – APPROVAL FOR SIGNIFICANT CHANGE IN SCALE OF ACTIVITIES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the scale of the Company’s activities resulting from the Transaction, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**2. RESOLUTION 2 – CONSOLIDATION OF CAPITAL**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to each of the other Transaction Resolutions being passed, pursuant to section 254H of the Corporations Act, ASX Listing Rule 7.20 and for all other purposes, the issued capital of the Company be consolidated on the date this Resolution is passed on the basis that:*

*(a) every 2.23 Shares be consolidated into 1 Shares; and*

*(b) every 2.23 Options be consolidated into 1 Options;*

*and, where this Consolidation results in a fraction of a Security being held, the Company be authorised to round fractional entitlements up to the nearest whole number and that the exercise price of Options on issue be adjusted in accordance with ASX Listing Rule 7.22.1 and rounded up to the nearest tenth of a cent.”*

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**3. RESOLUTION 3 – APPROVAL TO ISSUE PUBLIC OFFER SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 150,000,000 Public Offer Shares (on a post-Consolidation basis) at an issue price of \$0.02 each, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**4. RESOLUTION 4 – APPROVAL TO ISSUE PUBLIC OFFER SHARES TO DIRECTOR – MR ANDREW CHILDS**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Public Offer Shares to Mr Andrew Childs (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**5. RESOLUTION 5 – APPROVAL TO ISSUE PUBLIC OFFER SHARES TO DIRECTOR – MR ANDREW BALD**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Public Offer Shares to Mr Andrew Bald (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**6. RESOLUTION 6 – APPROVAL TO ISSUE PUBLIC OFFER SHARES TO DIRECTOR – MR GREG CHANNON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Public Offer Shares to Mr Greg Channon (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**7. RESOLUTION 7 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 25,000,000 Lead Manager Options (on a post-Consolidation basis) to the Joint Lead Managers (PAC Partners Securities Pty Ltd and BW Equities Pty Ltd) or their nominees, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**8. RESOLUTION 8 – APPROVAL TO MODIFY CONSTITUTION**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, subject to each of the other Transaction Resolutions being passed, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution as set out in the Explanatory Statement accompanying this Notice of Meeting.”*

## Voting Exclusion Statements

<b>Resolution 1 – Approval for Significant Change in Scale of Activities</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of Elixir Energy Limited, being the counterparty to the Acquisition that, of itself or together with one or more other transactions, will result in a significant change in scale of the Company's activities and any other person who will obtain a material benefit as a result of the Acquisition (except a benefit solely by reason of being a Shareholder) or an associate of those persons.
<b>Resolution 3 – Approval to Issue Public Offer Shares</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Public Offer Shares (except a benefit solely by reason of being a Shareholder) or any of their respective associates.
<b>Resolution 4 – Approval to Issue Public Offer Shares to Director – Andrew Childs</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Andrew Childs (or his nominee) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a Shareholder) or an associate of that person or those persons.
<b>Resolution 5 – Approval to Issue Public Offer Shares to Director – Andrew Bald</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Andrew Bald (or his nominee) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a Shareholder) or an associate of that person or those persons.
<b>Resolution 6 – Approval to Issue Public Offer Shares to Director – Greg Channon</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Greg Channon (or his nominee) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a Shareholder) or an associate of that person or those persons.
<b>Resolution 7 – Approval to Issue Lead Manager Options</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of PAC Partners, BW Equities and any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Lead Manager Options (except as a benefit solely by reason of being a Shareholder) or any of their respective associates.

However, this does not apply to a vote cast if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy form; or
- (b) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of an Excluded Party excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**By Order of the Board**



**Jordan McArthur**  
Company Secretary

Dated: 23 June 2025

## Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the *Corporations Act 2001*, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the *Corporations Act 2001*, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

## Voting in person

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To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting, but representatives of the Company will need to verify your identity. You can register from 9:30 am AWST on the day of the meeting.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9435 3200.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in decided whether or not to pass the Resolutions which are the subject of the business of the Meeting.

ASX takes no responsibility for the contents of this notice.

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### 1. CONDITIONAL TRANSACTION RESOLUTIONS

Each of Resolution 1, Resolution 2, Resolution 3, and Resolution 8 (together, the **Transaction Resolutions**) are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Transaction Resolutions are not approved at the Meeting, none of the Transaction Resolutions will take effect and the Transaction and other matters contemplated by the Transaction Resolutions will not be completed.

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### 2. BACKGROUND TO THE TRANSACTION

#### 2.1 Existing activities of the Company

Xstate is a listed oil and gas exploration entity, originally incorporated in February 1987. The Company presently holds various workings interests ranging between 10-33% in oil and gas exploration wells in the Sacramento Basin in California and a 3% overriding royalty on Canadian assets previously owned by the Company.

On 29 February 2024, the Company announced that it had divested its 25% working interest in the Red Earth oil production wells in Alberta, Canada, with an effective divestment date of 1 January 2024. Over the previous 5 years, the Company held working interests in oil production ranging between 25-35% for production operations in Alberta, Canada.

The Company's securities were suspended from official quotation on 26 August 2024 under ASX Listing Rule 17.3 on the grounds that ASX determined Xstate's level of operations was not adequate to warrant the continued quotation of its securities in accordance with Listing Rule 12.1.

On 7 February 2025, the Company announced that it had divested its residual 25% working interest in the Crest Jinn oil production wells in Alberta, Canada, with an effective divestment date of 1 January 2025, in return for a 3% overriding royalty over the 25% working interest sold (**Crest Jinn Royalty**).

On 7 April 2025, the Company announced that it had executed an Acquisition Agreement to acquire 51% of the Diona Gas Project within ATP 2077 which is currently owned 100% by Elixir Energy Limited (**ASX:EXR**) (**Elixir**), located in the Surat-Bowen Basin of Queensland – see Figure 1 (**Acquisition**). Further details are provided in Section 2.1.1 below.

On 4 June 2025 the Company announced that it had divested its 20% working interest in the Anshof Project, located in Austria, by way of assignment of its working interest and obligations to Kathari Energia GmbH, a wholly owned subsidiary of ADX Energy Limited (**ASX:ADX**) (**ADX**). The result of this agreement is that Xstate assigns its production (as of the date of the announcement equivalent to 14 bopd) to Kathari for consideration of €547,075. This consideration is offset against the value of accrued cash calls payable Xstate to ADX at the time of the agreement, which included a contribution of €480,867 toward the 3,000 bopd permanent production facility. As such, no cash consideration has been received or paid by Xstate for this transaction.

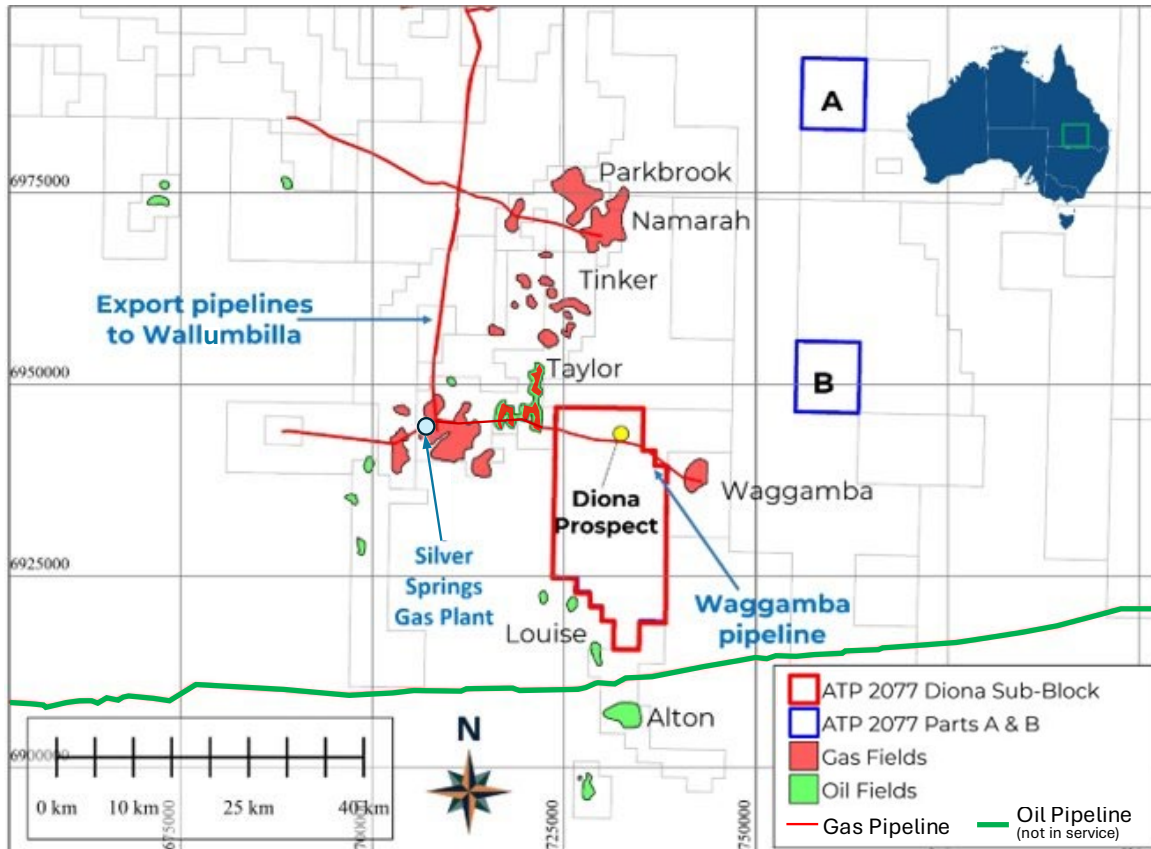
#### 2.1.1 Acquisition of 51% of Diona Gas Project

ATP 2077 comprises 3 separate sub-blocks of which one block, the Diona sub-block, hosts the Diona Prospect. Elixir will retain and operate Blocks A and B of ATP 2077.

The Acquisition Agreement was signed on 4 April 2025 and, subject to satisfaction of the Conditions

Precedent (see Section 2.2.2) at completion of the Acquisition, Xstate will be transferred a 51% legal interest in ATP 2077 and a 51% beneficial interest in ATP 2077 Diona Sub-Block containing the Diona Prospect, with Elixir retaining the residual 49% beneficial interest in the Diona Sub-Block, and a 100% beneficial interest in ATP 2077 Sub-Blocks A & B, which holds the Taroom Trough deep gas play (known as the Grandis Project). That is, Xstate has no rights to drill any wells or to any hydrocarbons hosted within Blocks A and B of ATP 2077.

In consideration, Xstate has paid Elixir a \$250,000 non-refundable deposit (**Elixir Deposit**) following the signing of the Acquisition Agreement and has agreed, subject to the completion of the Acquisition Agreement, to sole fund the drilling of a well at the Diona Prospect (**Diona-1 Well**) within 18 months of completion of the Acquisition<sup>1</sup>.



**Figure 1: Location Map ATP 2077 Diona Sub-block showing conventional fields and production infrastructure**

The Diona Prospect is located south of Australia's main onshore gas hub at Wallumbilla, Queensland, and is approximately 12km west of the Waggamba Gas Field and 11km east of the Taylor Oil and Gas Field and is situated directly beneath the Waggamba to Silver Springs gas export pipeline.

### 2.1.2 Re-compliance with ASX Listing Rules Chapters 1 and 2

As noted above, on 29 February 2024, the Company announced the disposal of its main undertaking, being its 25% WI in the Red Earth assets in Alberta, Canada for US\$2,727,273 (approximately A\$4,165,000 at the time of agreement). On 26 August 2024, ASX suspended quotation of the Company's Shares under Listing Rule 12.1 on the basis that the Company's operations being deemed insufficient to warrant continued quotation. The Company will be removed from the Official List on 26 August 2026 if it is unable to comply with Listing Rule 12.1. In accordance with ASX Guidance Note 33, the conditions that would result in the removal of Xstate from the official list are:

- (a) failure to lodge any reports required under ASX Listing Rule 17.5 for a continuous period of 1 year after the deadline for the relevant document lodgement; and

<sup>1</sup> Xstate is in the final stages of negotiating a drilling contract and expects drilling of the Diona-1 well to commence in the 3rd quarter of calendar 2025 subject to completion of the Transaction.



- (b) an entity whose securities have been suspended from quotation for a continuous period of 2 years, whichever of the abovementioned criteria occurs first.

The proposed Acquisition triggers a significant change to the scale of the Company's activities under ASX Listing Rule 11.1.2, and as such, will require:

- (a) approval by Shareholders at a general meeting; and
- (b) re-compliance with Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3 (**Re-compliance**).

Completion of the proposed Acquisition is conditional (amongst other things) on the Company obtaining all necessary regulatory and shareholder approvals to give effect to the proposed Acquisition to complete the Re-compliance.

On completion of the Acquisition and the Re-compliance (together, the **Transaction**), the Company's Shares will be reinstated to trading on the ASX.

### 2.1.3 Shareholder Approvals Required for Transaction

The Company requires the following Shareholder approvals to complete the Transaction, which approval is being sought at a general meeting, the subject of this notice.

- (a) **Resolution 1 – Significant Change in Scale Resulting from Acquisition**  
Approval for the purposes of Listing Rule 11.1.2 of the significant change of scale to the Company's activities that will occur if the Acquisition is completed. Resolution 1 seeks this approval.
- (b) **Resolution 2 – Consolidation of Securities**  
Approval to consolidate the Company's current issued capital (securities on issue) at a 2.23 to 1 basis (**Consolidation**). Resolution 2 seeks this approval.
- (c) **Resolution 3 – Capital Raising – Issue of Public Offer Shares**  
Approval for the purposes of ASX Listing Rule 7.1, and for all other purposes, for the Company to issue Shares as part of undertaking a capital raising under a full form prospectus (**Prospectus**) to raise up to a minimum of \$2,000,000 (before costs) and a maximum of \$3,000,000 (before costs) through the issue of at least 100 million Shares (**Minimum Subscription**) and up to 150 million Shares (**Maximum Subscription**) at an issue price of \$0.02 per Share (**Public Offer**).

Resolution 3 seeks approval for the issue of up to 150 million Shares under the Public Offer.

The Company lodged a Prospectus with ASIC on 24 June 2025 in relation to the Public Offer. The Public Offer is subject to the following conditions:

- i) Shareholders approve Resolutions 1 -3 and 8 (the **Transaction Resolutions**) at the General Meeting;
- ii) the Company raising the Minimum Subscription, being \$2 million, under the Offer;
- iii) ASX approving the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules and providing the Company with a list of conditions acceptable to the Company (acting reasonably) which, when satisfied, will result in re-instatement to quotation on the ASX; and
- iv) the Acquisition Agreement becoming unconditional (other than for completion of the Public Offer).

The Transaction Resolutions are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Transaction Resolutions are not approved at the Meeting, none of the Transaction Resolutions

will take effect and the Transaction and other matters contemplated by the Transaction Resolutions will not be completed.

(d) **Resolutions 4 – 6 – Director Participation in Public Offer**

Existing Shareholders of the Company, including related party Shareholders, will be given priority access to 33% of the Public Offer (up to 50 million Shares on a Maximum Subscription basis) (**Priority Offer**).

Xstate confirms that, apart from the related party Shares the subject of Resolutions 4 to 6, it understands no other related parties will be applying for Shares in the Public Offer.

Accordingly, Shareholder approval under ASX Listing Rule 10.11 is being sought for each Director of the Company (or their nominees) to subscribe for and be issued up to 2.5 million Shares each under the Priority Offer to the Public Offer (ie a total of 7.5 million Shares across all Directors and their nominees). Resolutions 4 – 6 seek these Shareholder approvals.

(e) **Resolution 7 – Issue of Lead Manager Options**

The Company has appointed PAC Partners Securities Pty Ltd (**PAC Partners**) and BW Equities Pty Ltd (**BW Equities**) (together the **Joint Lead Managers**) to act as joint lead managers to the Public Offer under a mandate dated 23 June 2025 (**Lead Manager Mandate**).

The Company has agreed to pay the Joint Lead Managers (in aggregate) a capital raising fee of 6% (plus GST) of the amounts raised under the Public Offer and issue the Joint Lead Managers (or their nominees), subject to Shareholder approval, up to 25 million unlisted Options, exercisable at \$0.04 each, expiring 18 months from their date of issue and otherwise on the terms set out in Schedule 1 (**Lead Manager Options**). Should the amounts raised under the Public Offer exceed \$2.5 million, the Company has agreed to pay a success fee of \$50,000 (plus GST) (in aggregate) to the Joint Lead Managers in addition to the compensation noted above. The allocation of the fees and Lead Manager Options between the Joint Lead Managers will be determined between PAC Partners and BW Equities by separate agreement.

The Joint Lead Managers will be issued 15 million Lead Manager Options if the Minimum Subscription is raised, with a further ten (10) Lead Manager Options issued for every additional one (1) dollar raised under the Public Offer above the Minimum Subscription, up to a maximum of an additional 10 million Lead Manager Options if the Maximum Subscription is raised (totalling 25 million Lead Options in aggregate).

Using a Black-Scholes valuation methodology (80% volatility and 3.41% risk-free interest rate), each Lead Manager Option is valued at \$0.0039.

The total value of the fees payable to the Lead Manager will be \$178,500 on a Minimum Subscription basis and \$327,500 on a Maximum Subscription basis, representing 8.9% and 10.9% of funds to be raised under the Capital Raising, respectively. Of this fee, the cash component payable will be \$120,000 (plus GST) on a Minimum Subscription basis and \$230,000 (plus GST) on a Maximum Subscription basis (inclusive of the \$50,000 success fee), representing 6% (excluding GST) of the funds to be raised on a Minimum Subscription basis, and 7.6% (excluding GST) of the funds to be raised on a Maximum Subscription basis.

Resolution 7 seeks Shareholder approval for the issue of the Lead Manager Options.

(f) **Resolution 8 – Approval to Modify Constitution**

Approval for the Company to modify its constitution to reflect changes to ASX Listing Rule 15, to document the current maximum aggregate fixed sum per year to be paid to Non-executive Directors and to update the provisions dealing with the disposal of small parcels of Shares. Resolution 8 seeks this approval.

Other than ASX, Shareholder and regulatory approvals referred to in this Notice, the Company is not aware of any additional regulatory approvals required to give effect to the Transaction or that may be required in order to progress exploration operations as at the date of this Notice.

### 2.1.4 Effect of Transaction on Capital Structure and Funds

The indicative capital structure and funds available on completion of the Transaction are outlined below:

Table 1: Pro-forma Capital Structure

Xstate Pro forma Capital Structure (post-Consolidation)	Minimum Subscription		Maximum Subscription	
	Securities	%	Securities	%
Shares currently on issue (post-Consolidation)	144,178,992	59%	144,178,992	49%
Shares to be issued as part of the Public Offer	100,000,000	41%	150,000,000	51%
<b>Total Shares</b>	<b>244,178,992</b>	<b>100%</b>	<b>294,178,992</b>	
<b>Indicative Market Capitalisation</b>	<b>\$4,883,580</b>		<b>\$5,883,580</b>	
Options currently on issue (post Consolidation) <sup>2</sup>	6,614,350	31%	6,614,350	21%
Lead Manager Options <sup>3</sup>	15,000,000	69%	25,000,000	79%
<b>Total Options</b>	<b>21,614,350</b>	<b>100%</b>	<b>31,614,350</b>	<b>100%</b>
<b>Total Securities</b>	<b>265,793,342</b>		<b>325,793,342</b>	

Table 2: Pro-forma Cash Position

Xstate Estimated Funds Available (on Completion) <sup>4</sup>	Minimum Subscription (A\$)	Maximum Subscription (A\$)
Estimated cash on Completion (Xstate Group)	<b>4,740,500</b>	<b>5,740,500</b>

### 2.1.5 Pro forma statement of financial position

A pro forma consolidated statement of financial position of the Company following Completion of the Transaction is detailed in Schedule 3.

### 2.1.6 Ongoing suspension of shares

In the event that Transaction Resolutions are not approved by Shareholders, the Shares of Xstate will remain suspended until such time as another project or transaction can be arranged that will facilitate the re-quotations of the Company's Shares on the Official List before 26 August 2026.

If the Shares of the Company are not re-stated by the 26 August 2026, the ASX may remove the Company's shares from the Official List, that is, the Company's shares may be de-listed.

## 2.2 Acquisition Agreement

The material terms of the Acquisition Agreement with Elixir are summarised below.

### 2.2.1 Non-refundable deposit

Within 5 business days of execution of the Acquisition Agreement, Xstate was required to pay, and has paid, Elixir a non-refundable deposit of \$250,000 that Elixir must use to undertake a technical work program, including seismic reprocessing, to identify and mature further prospects at the Diona Project.

<sup>2</sup> Options on issue as at the date of this Notice will be reduced from 14.750,000 exercisable at \$0.03 each to 6,614,350 exercisable at \$0.067 each, expiring 30 June 2026.

<sup>3</sup> Unlisted, \$0.04 exercise price, 18-month expiry from issue (on a post-Consolidation basis)

<sup>4</sup> Refer to section 2.5 of this Notice for full details of the sources and use of funds

### 2.2.2 Conditions Precedent to Completion

As at the date of this Notice, completion of the Acquisition is conditional upon, and subject to, the satisfaction (or waiver, as permitted) of the following conditions precedent (**Conditions**) no later than 1 September 2025 (**End Date**):

- (a) Xstate being in receipt of a conditional re-instatement letter from ASX setting out the conditions acceptable to Xstate acting reasonably which Xstate must satisfy in order to have its Shares reinstated to official quotation on the ASX (**Re-compliance**);
- (b) Xstate completing a capital raising of such amount as is required in order to comply with ASX's requirements in connection with the Re-compliance (**Capital Raising**);
- (c) any Shareholder approvals required by Xstate in connection with the Acquisition or the Re-compliance (including any required under the Listing Rules to complete the Re-compliance) are obtained and remain valid;
- (d) any required waivers or confirmations under the ASX Listing Rules that Xstate deems necessary in connection with the Acquisition, Re-compliance or the Capital Raising are obtained and remain valid. The Company notes that at the date of this Notice, waivers have been obtained as identified in section 2.4.1;
- (e) Xstate and Elixir obtain any regulatory consents or approvals applicable to the Acquisition, Re-compliance or the Capital Raising (including but not limited to the transfer of the 51% interest in ATP 2077 to Xstate)<sup>5</sup>; and
- (f) agreement on the terms of a conditional performance bond (see details further below).

If the conditions are not satisfied or waived by the End Date, either party may terminate the Acquisition Agreement by notice in writing.

### 2.2.3 Completion of the Acquisition

On completion of the Acquisition:

- (a) Elixir must transfer a 51% legal interest in ATP 2077, and a 51% beneficial in the Diona Project (comprising the Diona Sub-Block of ATP 2077) to Xstate, with Elixir retaining a 100% beneficial interest in ATP 2077 Sub-Blocks A & B;
- (b) Xstate must sole fund the Diona-1 well on the Diona Project within 18 months of completion of the Acquisition<sup>6</sup>;
- (c) Elixir and Xstate must execute a joint operating agreement (**JOA**) on industry standard terms establishing and governing an unincorporated Joint Venture for the Diona Project, with Xstate appointed as Operator and entitled to control joint venture operations while sole funding the Diona-1 Well; and
- (d) Xstate must arrange for the conditional performance bond to be provided (see details below)

### 2.2.4 Conditional Performance Bond

Typically, a traditional farmin agreement would see the Company earning the working interest via a commitment to drill one or more wells. In this case, Xstate must own the Working Interest in order to meet the ASX requirements for Re-compliance and hence, Xstate has agreed to acquire a 51% Working Interest in the Diona Project. The consideration for the Acquisition is an upfront payment of \$250,000, which has been paid, plus a commitment to sole fund and drill one well within 18 months.

<sup>5</sup> Registration of the transfer of the 51% interest in ATP 2077 requires the prior consent of the Queensland Minister administering the *Mineral and Energy (Common Provisions) Act 2014 (Qld)*.

<sup>6</sup> The well will be deemed to be complete upon reaching 2,300m below surface, or a lesser depth in certain circumstances.

The Company and Elixir have agreed in-principle that the terms of the CPB will be as follows (with the parties currently negotiating a formal variation to the Acquisition Agreement to the extent necessary to reflect these terms):

- a) within 5 Business Days of completion of the Acquisition, the Company will deposit \$2.0 million into a third party trust account (being lawyers instructed by Elixir) (Trustee) to be held on trust and in escrow in accordance with the terms of a to be executed escrow deed between Xstate, Elixir and the Trustee;
- b) during the drilling of the Diona-1 well, funds will be progressively released by the Trustee to Xstate from the CPB to pay for drilling work costs (being costs incurred by Xstate in drilling the Diona-1 well including all planning, preliminary and preparation work required to carry out drilling works and all activities which are reasonably required to prepare for or otherwise support the drilling works, in accordance with Good Australian Oilfield Practice). To effect this, Xstate will notify Elixir of drilling costs incurred at the end of each 2 week period, with the Trustee obliged to pay Xstate from escrow an amount equal to any undisputed drilling costs. As such, the value of any undisputed drilling costs are considered to be freely available to Xstate; and
- c) if the Diona-1 well is not completed within 18 months of completion of the Acquisition and Xstate has incurred less than \$2.0m in Diona 1 well costs, Elixir is entitled to any funds remaining in escrow<sup>7</sup>.

#### 2.2.5 Post Completion Activities

Drilling of the Diona-1 well will involve:

- (a) contracting and mobilisation of a drilling rig;
- (b) finalising contractor engagements;
- (c) securing long lead items; and
- (d) spudding the well.

If the well is successful, Xstate will then look to complete the well and commence production.

#### 2.2.6 Conflict of Interest

Mr Greg Channon, a Non-executive Director of Xstate, is also the chief geoscientist for Elixir (consulting part-time). The Board of Xstate confirms that Mr Channon has not been involved in any of the decision-making processes surrounding the Transaction and Mr Channon has recused himself from all decisions by Xstate to acquire the Diona project.

The Board does not consider Mr Channon to be a party affected by Listing Rule 10.1.

#### 2.2.7 Elixir Energy Limited

Elixir Energy Limited (**ASX:EXR**) is an ASX listed gas exploration and development company. It has three main natural gas assets comprising 100% interests in ATP 2044 and ATP 2077 and 50% farm-in interests in ATP 2056 and 2057 onshore Queensland in Australia and, until recently, a 100% interest in a CBM production sharing contract (PSC), located just to the north of the Chinese border in Mongolia<sup>8</sup>.

ATP 2077 hosts both conventional and unconventional oil and gas prospects within the sandstones and coal reservoirs of the Triassic Showgrounds Sandstone Formation, the Permian Kianga Formation and Back Creek Group. In areas adjacent to ATP 2077, these reservoirs produce oil and gas at commercial rates and illustrate the proven petroleum system that is active in this region.

ATP 2077 is comprised of 3 sub-blocks, Blocks A, B and Diona. The Xstate acquisition pertains to the Diona sub-block alone.

<sup>7</sup> The performance bond structure is a generic form of security that is most often used in the construction industry

<sup>8</sup> See Elixir's ASX announcement dated 21 February 2025 regarding a farmout of 51% of its Mongolian assets.

## 2.3 Diona Project Overview

### 2.3.1 Exploration and Production History

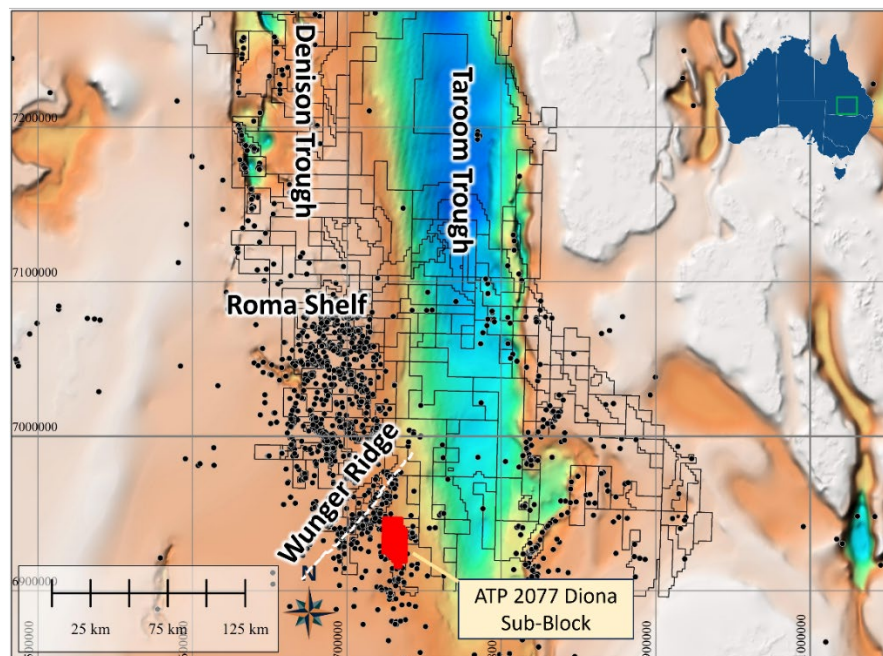
The Diona Project is located on the south-western flank of the Taroom Trough in the Surat-Bowen Basin, a long-established hydrocarbon province in eastern Australia (*refer Figure 2 below*). The first major discovery in the basin was made in 1961 on the eastern side of the basin at Moonie, which hosted most of the oil reserves in the basin, and which ultimately produced 24MMstb of oil. Exploration on the western side of the basin subsequently yielded numerous conventional gas discoveries with an average size of around 5Bcf, along with many small oil discoveries.

Despite the recent focus in the basin on unconventional exploration plays, significant potential remains for further conventional oil or gas discoveries. While likely to be of modest size, any such discoveries are well placed for commercialisation due to the significant production infrastructure that exists across the basin and the high prevailing gas prices in the region.

### 2.3.2 Geology

The Bowen-Surat Basin comprises two superimposed basins: the Permo-Triassic Bowen Basin, and the Jurassic to Cretaceous Surat Basin, each of which contain around 50% of the conventional petroleum reserves in the area. The Bowen Basin is a north-south trending back arc to foreland basin that was terminated by a major period of compression, uplift and erosion at the end of the Triassic. It is unconformably overlain by the more regionally extensive and less deformed Surat Basin succession.

Basin fill is overwhelmingly clastic and includes fluvial deposits, coal measures, marine shales, and frequent tuffs reflecting contemporaneous volcanism. All the conventional oil and gas fields in the basin are interpreted to be sourced from thick Permian aged coals of the Bowen Basin succession.



**Figure 2: OZ SEEBASE depth to basement map showing main structural elements of the southern Bowen Basin and non-CSG petroleum wells**

### 2.3.3 Prospectivity

The remaining exploration prospectivity in the vicinity of the Diona Project is interpreted to be restricted to plays within the Bowen Basin stratigraphic succession. The Bowen Basin comprises several discrete depocentres, the most significant of which is the Taroom Trough, which hosts most of the basin's hydrocarbon resources. Diona is located on the south-western flank of the Taroom Trough, immediately



to the east of the Wunger Ridge (refer Figure 1 above), which hosts a major historic gas production hub centred on the circa 100bcf Silver Springs field.

Two highly prospective exploration plays have been identified in the Diona Project (refer Figure 4 below):

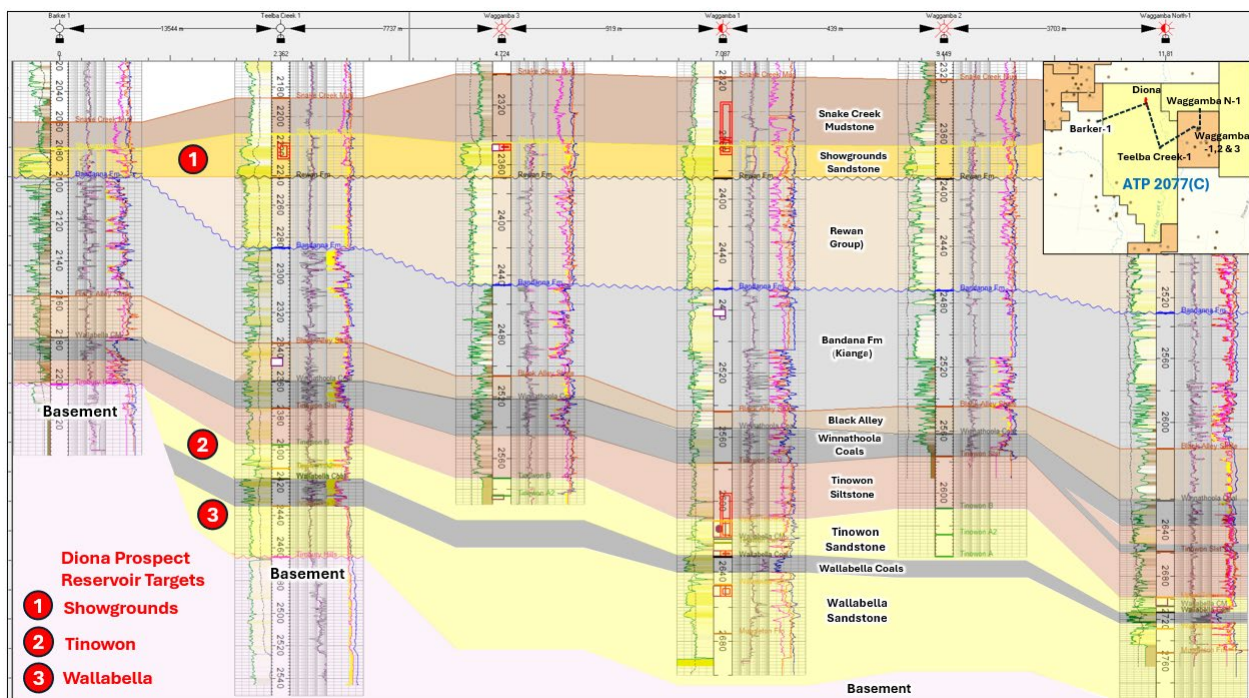
### 2.3.4 Showgrounds Sandstone

The Triassic aged Showgrounds Sandstone hosts most of the reserves on the Wunger Ridge to the west. The play is characterised by high quality fluvio-deltaic reservoirs trapped within structural closures that are sealed by the Snake Creek mudstone, with hydrocarbons sourced from Permian aged coals of the underlying Kianga Formation and Back Creek Group.

Historic exploration demonstrates the reservoir quality in the Showgrounds Sandstone play degrades to the east of Diona. However, significant remaining exploration potential is recognised in an under-explored fairway that runs along the eastern flank of the Wunger Ridge, through the centre of the Diona Project. The key risks for the Showgrounds Sandstone play are the eastward degradation of reservoir quality, access to hydrocarbon charge from the deeper Permian source rocks and the reliability of mapping of structural closures on available 2D seismic data.

### 2.3.5 Permian Tinowon and Wallabella Sandstones

Up until the mid-1990s, exploration in the Taroom Trough was focused on Triassic and Jurassic objectives. None-the-less, during this period, numerous wells were either drilled targeting specific Permian objectives or deepened in pursuit of secondary targets or stratigraphic information. Several of these wells yielded serendipitous hydrocarbon discoveries in fluvio-deltaic reservoirs, including the Waggamba Field, which is located immediately to the east of Diona.



**Figure 3: Well correlation flattened on Base Showgrounds Sandstone illustrating the Showgrounds, Tinowon and Wallabella Sandstone plays in the Diona Project**

Like many of the other Permian discoveries of the Taroom Trough, the seal mechanism at Waggamba is poorly understood, but it almost certainly involves an element of stratigraphic or diagenetic trapping. The Tinowon Sandstone at Waggamba was brought onstream in 1982 and production has continued until the present day. Follow-up drilling to the north and south of Waggamba yielded disappointing results, with poor quality Tinowon Sandstone reservoirs encountered. However, the potential westward extension of the Waggamba Tinowon Sandstone play in the northern part of the Diona Project has not been adequately tested and is considered to have significant exploration potential. The deeper Wallabella Sandstone, which flowed gas on test in the 1981 Waggamba-1 discovery well, provides additional

exploration potential at Diona. The key risks for the Tinowon and Wallabella sandstone plays are reservoir quality and the definition and sealing integrity of stratigraphic or diagenetic traps.

The current Operator, Elixir Energy, has undertaken a comprehensive review of the potential of the Diona Project and has high-graded the Diona Prospect for future drilling. The evaluation of the Diona Prospect, including the assessment of its Prospective Resources, is detailed below.

As well as the Diona Prospect, Elixir Energy has identified structures in the southern half of the permit that have potential at both the Showgrounds Sandstone and Permian play levels (*see Figure 3 below*). Evaluation of these leads is impeded by an inconsistent database of multiple vintages of 2D seismic with significant miss-tie issues. Elixir has commissioned a seismic balance and depth conversion project to resolve these issues, and once complete, it is anticipated that this work will result in the identification of additional prospects within the permit.

### **2.3.6 Production Infrastructure**

The Diona Project is attractively located approximately 15km to the east of the Silver Springs gas processing plant which has been repurposed from its original role as a production facility to a short-term gas storage facility.

Gas production from Waggamba is ongoing with the gas exported across the Diona Prospect to Silver Springs via the 25km Waggamba transmission pipeline. Exported gas from the Silver Springs processing plant facility is sent to AGL's Wallumbilla LPG plant via a 100km pipeline, where propane, butane and condensate are removed to provide sales-quality gas for input into the Roma to Brisbane pipeline, which supplies gas into the domestic market.

### **2.3.7 Diona Prospect Evaluation and Prospective Resources**

The Diona Prospect is located immediately beneath the Waggamba gas export pipeline, approximately 12km west of Waggamba and 11 kilometres east of the Taylor gas and oil field. The prospect targets 3 stacked reservoir objectives at Showgrounds, Upper Tinowon and Wallabella Sandstone levels (*see Figure 3 above*) all of which can be tested via a single vertical exploration well.

Diona is a four-way dip closed anticline which is interpreted to be present at all three reservoir objectives. At the primary Top Bandana mapping horizon, the structure has an area of 1.0km<sup>2</sup> and a vertical relief of 18m (*Figure 4 and Figure 5 below*). The Tinowon and Wallabella Sandstone targets have additional stratigraphically trapped upside associated with the inferred pinch-out of these two reservoirs against the eastern flank of the Wunger Ridge (*Figure 5 and Figure 6 below*).

Diona is well located for hydrocarbon charge due to its position on a prominent east-southeast nose that plunges down into the prognosed Permian source kitchen. This structural nose likely acts as a focus for migration from a ~40 square kilometre hydrocarbon fetch area that is likely to vary in maturity from the oil window to the gas-condensate window. Gas is considered the most likely hydrocarbon phase, but oil is a possibility, mainly in the Showgrounds sandstone, which is the shallowest of the three targets.



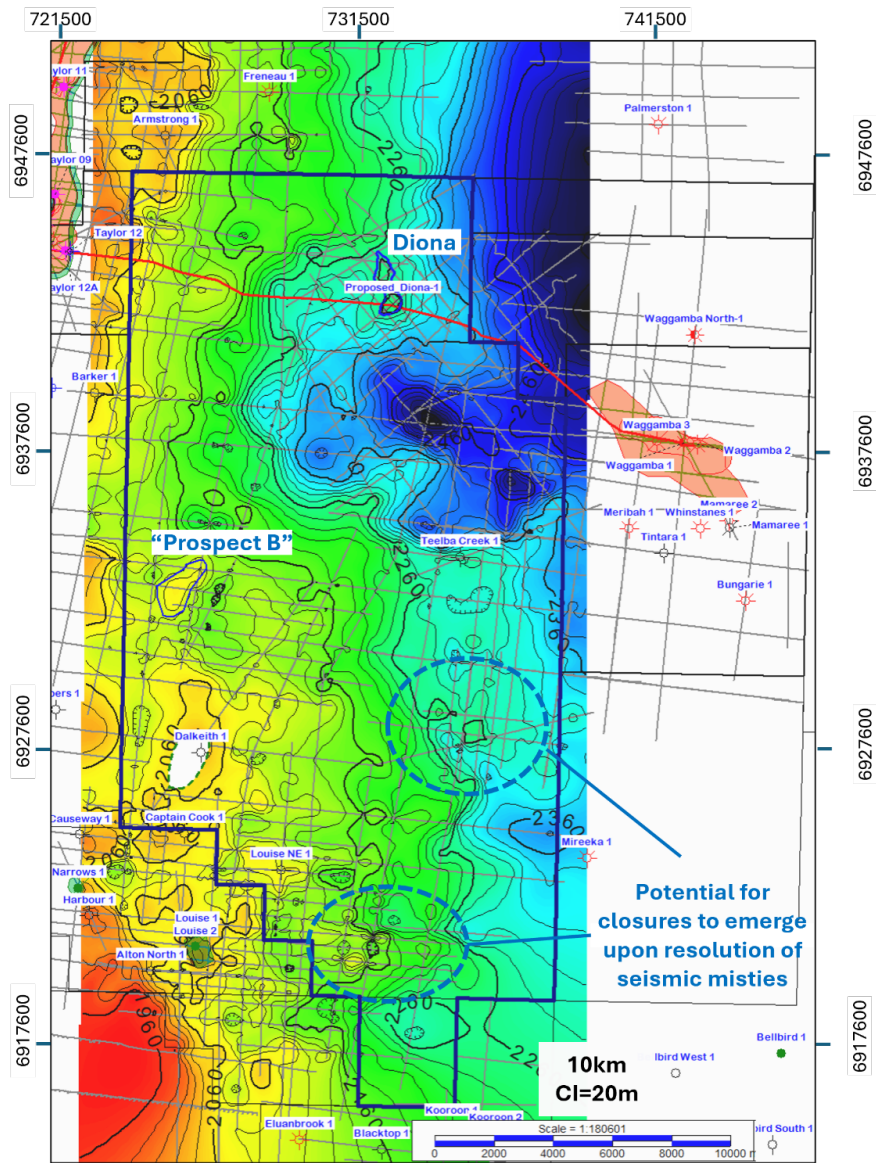


Figure 4: ATP 2077 Diona Sub-block Top Permian (Top Bandana Formation) depth below ground level, also showing historic wells and 2D seismic data

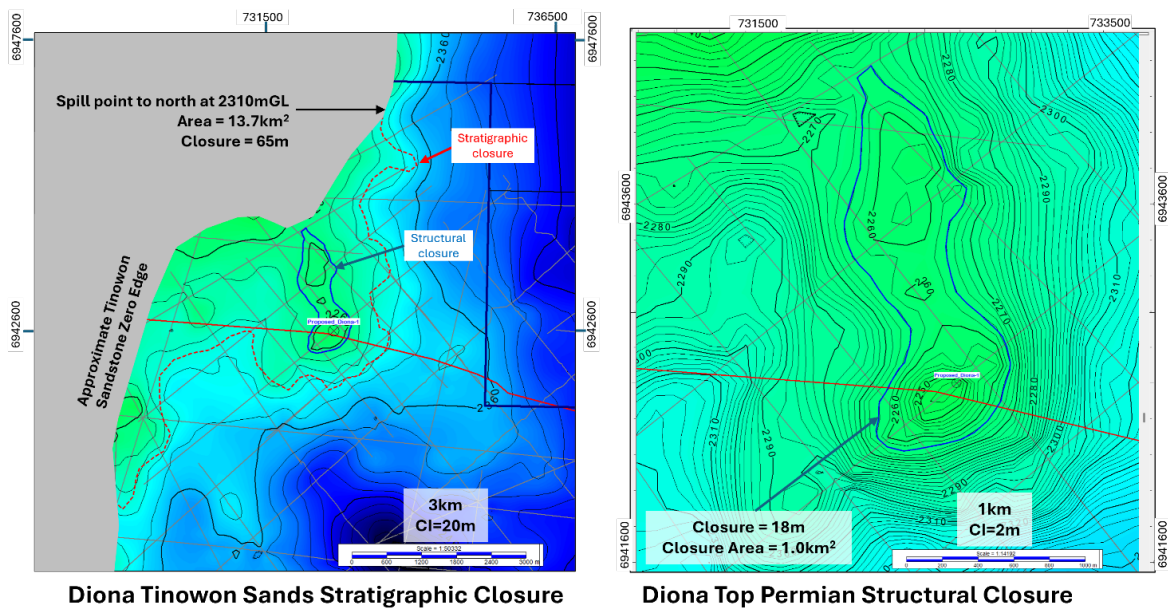
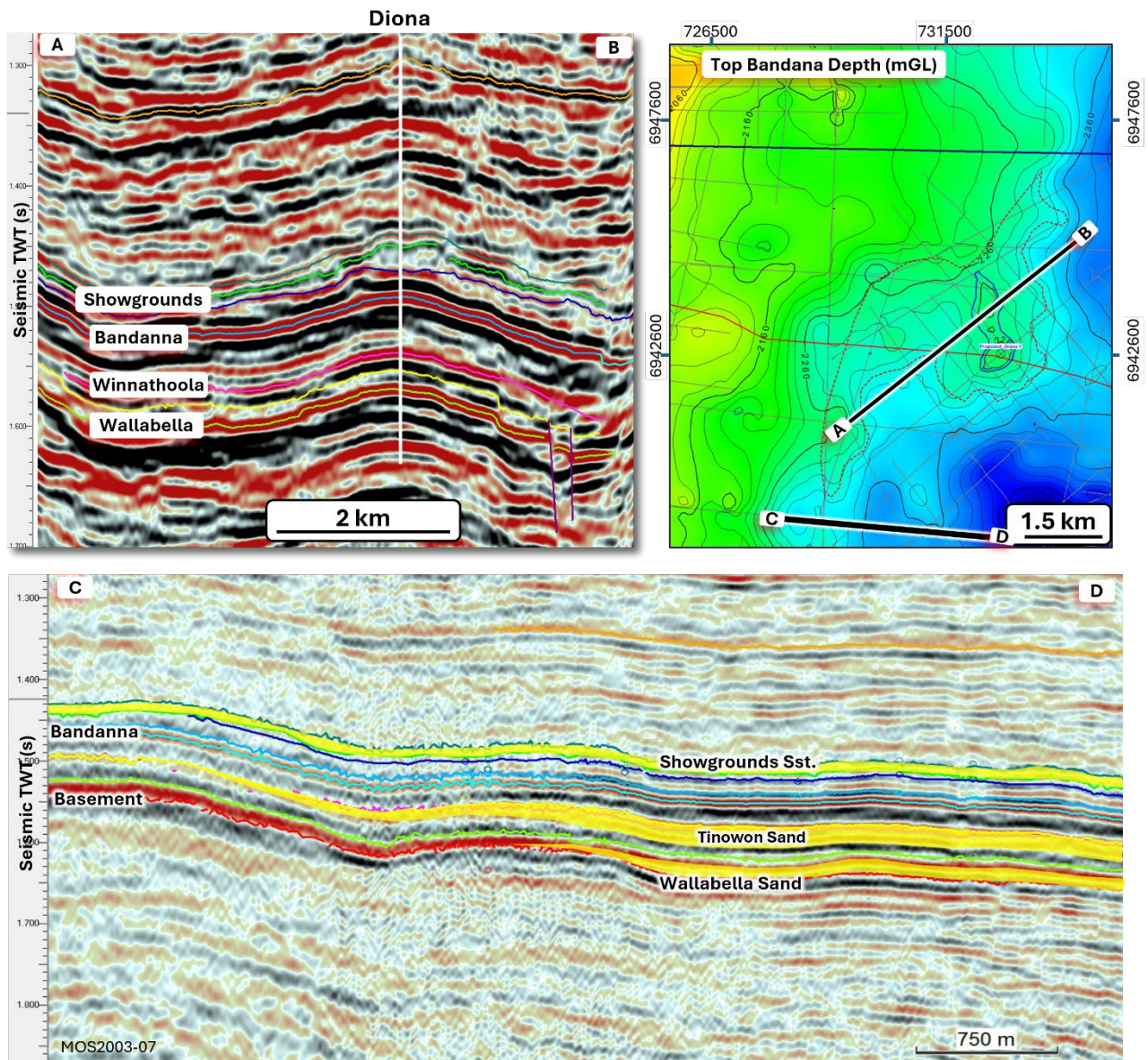


Figure 5: Diona Prospect Top Bandana Formation Depth Map (metres below ground level) illustrating potential structural and stratigraphic trap geometries





**Figure 6: Seismic line A-B across Diona structural closure, and seismic line C-D near southern limit of inferred stratigraphic trap illustrating possible pinch-outs of the Tinowon and Wallabella Sands**

Xstate commissioned Mr Calan McIntyre to prepare an Independent Technical Specialists Report (ITSR) to assess the Prospective Resources for the Diona Prospect. The ITSR evaluated each of the three reservoir targets at Diona using a probabilistic Monte Carlo simulation methodology that incorporates full risk dependencies and has an evaluation date of 4 April 2025.

The gross and net Prospective Resources of the Diona Prospect, which includes three separate reservoir targets at Showgrounds, Tinowon and Wallabella Sandstone levels, are summarised in Table 3 below:

**Table 3: Diona Prospect Prospective Resources**

Hydrocarbon Type	Reservoir Objective	Gross Un-risked Prospective Resource				Net Un-risked Prospective Resource				Pg	Pd
		1U	2U	3U	Mean	1U	2U	3U	Mean		
Gas (Bscf)	Showgrounds	0.7	1.5	3.2	1.8	0.38	0.79	1.6	0.91	39%	85%
	Tinowon	0.2	2.5	12	4.8	0.12	1.3	6.2	2.4	20%	
	Wallabella	0.2	1.7	8.4	3.2	0.08	0.87	4.3	1.6	16%	
	<b>Entire Prospect</b>	<b>0.6</b>	<b>2.2</b>	<b>9.6</b>	<b>4.1</b>	<b>0.3</b>	<b>1.1</b>	<b>5.2</b>	<b>2.1</b>	<b>55%</b>	
Condensate (MMstb)	Showgrounds	0.02	0.06	0.15	0.08	0.01	0.03	0.08	0.04	39%	85%
	Tinowon	0.01	0.10	0.58	0.22	0.005	0.05	0.30	0.11	20%	
	Wallabella	0.01	0.06	0.38	0.15	0.003	0.03	0.19	0.07	16%	
	<b>Entire Prospect</b>	<b>0.02</b>	<b>0.09</b>	<b>0.44</b>	<b>0.18</b>	<b>0.01</b>	<b>0.05</b>	<b>0.23</b>	<b>0.09</b>	<b>55%</b>	
Gas Equivalent (Bscfe)	Showgrounds	0.9	1.9	4.1	2.3	0.45	1.0	2.1	1.2	39%	85%
	Tinowon	0.3	3.1	15.7	6.1	0.15	1.6	8.0	3.1	20%	
	Wallabella	0.2	2.1	10.6	4.1	0.09	1.1	5.4	2.1	16%	
	<b>Entire Prospect</b>	<b>0.7</b>	<b>2.7</b>	<b>13.0</b>	<b>5.1</b>	<b>0.4</b>	<b>1.4</b>	<b>6.5</b>	<b>2.6</b>	<b>55%</b>	

**Notes:**

1. These estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery (Pg) and a risk of development (Pd). Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.
2. These Prospective Resources have been calculated probabilistically using a Monte Carlo simulation methodology for the three individual reservoir targets and have then been combined probabilistically (incorporating the impact of risk and risk dependencies) to determine the Prospective Resources for the entire prospect.
3. 1U, 2U and 3U refer to the low estimate, best estimate, and high estimate respectively and are respectively equal to the P90, P50 and P10 scenarios that are output from the probabilistic volumetric assessment.
4. Gas-equivalent Prospective Resources have been calculated in Billion standard cubic feet equivalent (Bscfe) using a conversion factor of 1 barrel condensate = 6000 cubic feet of gas.
5. These Prospective Resources only consider the most likely case hydrocarbon phase scenario (gas with condensate) and do not consider the possibility of oil.
6. Net Prospective Resources have been calculated based on XST's 51% working interest in the Diona sub-block of exploration permit ATP 2077.
7. The risk of development, Pd, has been assessed in relation to the probabilistic resource ranges for the entire prospect rather than for each individual reservoir target.
8. ATP is an Authority to Prospect, which allows a company to explore for hydrocarbons in Queensland.
9. The Prospective Resources estimates were based on a review of seismic, drilling, logging and test data. Specific analysis undertaken included a review of previous exploration results, seismic interpretation, geological correlations, core analysis, wireline petrophysics, formation pressures, gas compositions and production test analysis.

The un-risked arithmetic sum of the mean Prospective Resources for the three reservoir targets is 12.5 Bscfe (gross) and 6.4 Bscfe (net to XST) assuming exploration success at all three reservoir targets, and un-risked probabilistic mean Prospective Resources of 2.6 Bscfe (net to XST). On a risked basis, there is 55% chance of making a 2.6 Bscfe discovery (net to XST) in the mean case and an 85% chance of development.

## 2.4 ASX Guidance Note 12 – Annexure A Disclosure

The Company provides the following disclosure in accordance with ASX Guidance Note 12 – Annexure A, to the extent that the information has not been provide elsewhere in this Notice.

#### 2.4.1 ASX In-Principle Advice and Waivers

The Company has obtained the following waivers and confirmations from the ASX in relation to the Transaction:

- (a) a waiver of Listing Rule 1.1 condition 12 to allow the Company to grant up to 25 million Lead Manager Options exercisable at \$0.04 each expiring 18 months from the date of issue, subject to the following conditions;
  - (i) the exercise price of the Lead Manager Options is not less than A\$0.02 each;
  - (ii) the terms of the waiver and the terms and conditions of the Lead Manager Options are clearly disclosed in both the Notice of Meeting and the Prospectus to be issued in connection with the Company's re-admission; and
- (b) the Company's shareholders approve the issue of the Lead Manager Options and the other Resolutions proposed in connection with the re-admission;
- (c) confirmation that Listing Rule 1.1 (condition 11) does not apply to the cash payment to Elixir (comprising the \$250,000 non-refundable deposit paid under the Acquisition Agreement);
- (d) a waiver of Listing Rule 2.1 condition 2 to allow the Company to issue Shares at an issue price of \$0.02 each, subject to the following conditions:
  - (i) the issue price of the Capital Raising Shares (being the Public Offer Shares) is not less than A\$0.02 per Share;
  - (ii) the terms of this waiver and the terms and conditions of the Capital Raising Shares are clearly disclosed in both the Notice of Meeting and the Prospectus to be issued with the Company's re-admission;
  - (iii) the Company's shareholders approve the issue price of the Capital Raising Shares in conjunction with the other Resolutions proposed in connection with its re-admission; and
  - (iv) the Company completes a Consolidation of its capital structure in connection with its re-admission such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days preceding the date of the suspension of the Company's securities from official quotation, to achieve a market value for its securities of not less than the offer price; and
- (e) a waiver of Listing Rule 10.13.5 to allow the Company to issue Public Offer Shares to the Company's Directors, subject to receipt of Shareholder approval, later than one month after the date of the meeting but no later than date the other Public Offer Shares are issued on the following conditions:
  - (i) the terms of the waiver and the terms and conditions of the Public Offer Shares to be issued to the Directors (**Related Party Securities**) are clearly disclosed in both this Notice of Meeting and the Prospectus to be issued in connection with its re-admission;
  - (ii) the Company's Shareholders approve the issue of Related Party Securities in conjunction with the other Resolutions in the Notice of Meeting proposed in connection with its re-admission;
  - (iii) the Related Party Securities are issued by no later than the date on which the Capital Raising Shares are issued which must be no later than three (3) months after the date of the Meeting; and
  - (iv) the circumstances of the Company, as determined by ASX, have not materially changed since the Company's shareholders approved the issue of the Related Party Securities at the Meeting.

#### 2.4.2 Issues in the previous 6 months

Xstate has not issued any securities in the past 6 months.

### 2.4.3 Control

It is not expected that any Shareholder will increase their voting power above 20% as a result of the Transaction.

### 2.4.4 Accounts

The Company's 31 December 2024 Annual Report and its 30 June 2024 Interim Financial Report are available on the ASX announcements platform, accessible through the following link:

<https://www.asx.com.au/markets/company/xst>

### 2.4.5 Fees paid or payable to facilitators

No fee is payable, nor will any fee be paid, for the facilitation of this Transaction other than the Joint Lead Managers will be paid (in aggregate) a 6% capital raising fee on funds raised under the Public Offer, equivalent to \$120,000 assuming a Minimum Subscription, and \$180,000 assuming a Maximum Subscription. In addition to this cash fee, the Joint Lead Managers will be issued (in aggregate) up to 25 million Lead Manager Options (in the instance of achieving Maximum Subscription), exercisable within 18 months of issuance at \$0.04 per Share, subject to receipt of shareholder approval. Should the amounts raised under the Public Offer exceed \$2.5 million, the Company has agreed to pay a success fee of \$50,000 to the Joint Lead Managers (in aggregate) in addition to the compensation noted above. The allocation of the above fees and Lead Manager Options between the Joint Lead Managers will be determined by separate agreement between the Joint Lead Managers.

### 2.4.6 Appropriate Enquiries

The Company has undertaken appropriate enquiries into the prospects of the Acquisition to be satisfied that the Acquisition is in the interests of the Company and its security holders.

As at the date of this Notice, the Company has completed its due diligence on both the Diona Project and Elixir as its proposed joint venturer. This due diligence process has not identified any matters that are materially adverse to the Company and the Company recommends to Shareholders that the Acquisition proceed.

Due diligence undertaken includes (but was not limited to):

- (a) an extensive in-house and independent technical review of the seismic and pertinent publicly available geological data and additional data made available by Elixir which has identified the primary target as well as identifying a number of other follow up prospects;
- (b) meetings with management and technical teams at Elixir; and
- (c) a review of Elixir's published financial statements and quarterly reports including cash flow reports.

Further information is outlined in this Notice of Meeting and the Prospectus.

### 2.4.7 Re-instatement to trading of Shares on ASX

The Company notes that;

- (a) the Transaction requires shareholder approval under ASX Listing Rule 11.1.2 and therefore will not proceed if that approval is not received;
- (b) it is required to re-comply with ASX's requirements for admission and quotation and therefore the Transaction will not proceed if those requirements are not met;
- (c) it presently has no intention of issuing any securities prior to re-admission to the Official List.
- (d) ASX has absolute discretion in deciding whether to re-admit the Company to the Official List and to quote its securities and therefore the Transaction will not proceed if ASX exercise that discretion; and



- (e) Investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

Furthermore, the Company notes that:

- (a) ASX takes no responsibility for the contents of this Notice;
- (b) it is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1; and
- (c) all material and accessible information available to the Directors of the Company has been included in this Notice.

## 2.5 Proposed source and use of Funds

Table 4: Funds available on completion of Transaction

Funds available	\$2m Minimum Subscription (\$)	\$3m Maximum Subscription (\$)
Existing cash (as at 31 May 2025)	2,740,500	2,740,500
Funds raised under Public Offer	2,000,000	3,000,000
<b>Total funds available</b>	<b>4,740,500</b>	<b>5,740,500</b>

Estimated cash held by the Group is based upon a combination of cash and cash equivalents as at 31 May 2025.

Xstate intends to apply existing funds, and funds raised from the Public Offer, towards costs of re-compliance and for proposed activities as set out in the table below.

Table 5: Detailed Proposed Use of Funds

Use of funds	\$2m Minimum Subscription (\$)	%	\$3m Maximum Subscription (\$)	%
Diona-1 Well <sup>1</sup>	2,650,000	56	2,650,000	46
Exploration and Development	120,000	2	120,000	2
Costs of the Offer	319,206	7	439,206	8
Working Capital <sup>2</sup>	1,651,294	35	2,531,294	44
<b>Total</b>	<b>4,740,500</b>	<b>100.00</b>	<b>5,740,500</b>	<b>100.00</b>

<sup>1</sup> The \$2.0m conditional performance bond (CPB) identified in sections 2.2.2(f) and 2.2.4 will be put in place within 5 Business Days of Completion of the Acquisition. During the currency of the Diona-1 Well drilling campaign, funds will be progressively released from the CPB to Xstate to pay for the well drilling costs as they arise. Agreeing the terms of the CPB is a condition precedent requiring fulfilment prior to Completion, and failure to put in place a CPB will mean either party can terminate the Acquisition Agreement. As at the date of this Notice, Xstate and Elixir have agreed the terms of the CPB in principle with formal documentation being negotiated.

<sup>2</sup> The Diona exploration well is anticipated to be drilled within a 12-month period following the Public Offer. Residual working capital will be used to fund follow up exploration and development activities at Diona (to be determined post drilling campaign), corporate and administrative costs, and on-going operating costs for its existing global exploration and production interests.

In the event the amount raised is between the Minimum Subscription and the Maximum Subscription, the funds raised above the Minimum Subscription will be applied to additional expenses of the Public Offer, then utilised for working capital.

The above use of funds is a statement of current intentions. Investors should note that, as with any budget, the allocation of funds set out in the table may change depending on a number of factors, including market

conditions, the development of new opportunities and / or any number of other factors. Actual expenditure levels may differ from the above table.

The Directors consider that following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in section 4.

Costs for ongoing exploration and production activities across the Groups other global assets has been factored into the working capital figure in the table above.

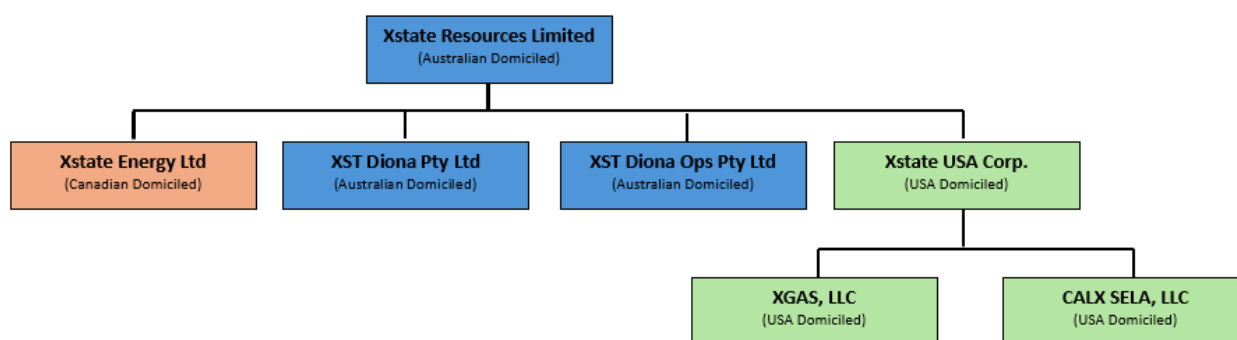
## 2.6 Indicative timetable for the key business the subject of the Transaction Resolutions

Description	Indicative timing
Lodgement of Prospectus with ASIC	26 June 2025
Dispatch of Notice of General Meeting	26 June 2025
Opening of the Public Offer	3 July 2025
Closing of Public Offer	24 July 2025
General Meeting held to approve the Transaction	28 July 2025
Completion of Offer and Acquisition	1 August 2025
Reinstatement of securities to trading on ASX (subject to Xstate re-complying with Chapters 1 & 2 of the ASX Listing Rules)	13 August 2025

The above dates are indicative only and may change without notice. The re-admission of Xstate to the Official List and re-commencement of quotation of the Shares are subject to confirmation from ASX.

## 2.7 Corporate Structure

The diagram below summarises the corporate structure of the Company following completion:



## 2.8 Interests of substantial shareholders

Based on publicly available information or as otherwise advised to the Company, those Shareholders (and their associates) holding 5% or more of the Shares on issue as at the date of this Notice of Meeting are set out in the table below.

Shareholders	Number held (pre-Consolidation)	Percentage held
Blue Sky Resources Ltd.	24,308,160	7.56%
Mr Christopher Whitehead	21,091,553	6.56%

## **2.9 Plans for the Company if completion of the Acquisition does not occur**

If any of the Transaction Resolutions are not passed and the Acquisition is therefore not able to be completed, the Company will continue to look for alternative potential business acquisitions to take the Company forward.

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Acquisition or can otherwise satisfy ASX that its level of operations are sufficient for the purposes of Listing Rule 12.1.

## **2.10 Directors' interest in the Acquisition**

None of the current Directors (or their respective associates) have any interest in the Acquisition, other than as disclosed in this Notice.

## **2.11 Vendor's interest in the Company**

Elixir does not have any interest in the Company as at the date of this Notice.

## **2.12 Forward looking statements**

The forward-looking statements in this Explanatory Statement are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this Explanatory Statement. These risks include, but are not limited to, the risks detailed in section 4. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

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## **3.0 PROSPECTIVE RESOURCE ESTIMATES**

The Prospective Resource Estimates referred to in this Notice were first reported in accordance with ASX Listing Rules and the Society of Petroleum Engineers Petroleum Resources Management System (**SPE-PRMS**) in the Company's announcement dated 7 April 2025. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement, all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed and the form and context in which the qualified petroleum evaluator's findings are presented in this Notice have not been materially changed from the original announcement.

**Investors are cautioned that the potential quantities of petroleum that may be recovered by the application of future development projects relate to undiscovered accumulations. These estimates are conceptual in nature, there has been insufficient exploration to define a petroleum resource, and it is uncertain if further exploration will result in the discovery of petroleum resources.**

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## **4.0 RISKS AND DEPENDENCIES ASSOCIATED WITH THE TRANSACTION**

This section identifies the key dependencies and areas of risk associated with the Transaction, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed.

An investment in Securities of the Company involves significant risks, which should be carefully considered by prospective investors before purchasing such Securities. Management of the Company considers the following risks to be most significant for potential investors, but such risks do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties not currently known to management of the Company may also have an adverse effect on the Company's business. If any of these risks actually occur, the Company's business, financial condition, capital resources, results of operations and/or future operations could be materially adversely affected.



#### 4.1 Key Dependencies

The key dependencies influencing the viability of the Transaction and the Company's business model include:

- (a) the Company's ability to re-comply with Chapters 1 and 2 of the ASX Listing Rules to enable reinstatement of the Company's securities on ASX;
- (b) completion of the Acquisition;
- (c) the Company's ability to raise the Minimum Subscription amount under the Public Offer;
- (d) commodity price volatility;
- (e) operational and cost risk; and
- (f) exploration success.

#### 4.2 Key Risk Factors

This section identifies the key areas of risk associated with the Transaction but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed.

##### 4.2.1 Re-quotation of Shares on ASX

As the acquisition of the WI in the Diona project constitutes a significant change in the scale of the Company's activities, the Company is undertaking a re-compliance process to satisfy the requirements of Chapters 1 and 2 of the Listing Rules, in the same manner as if it were seeking admission to the Official List.

The ASX Listing Rules require the Company to satisfy specific criteria, including minimum financial thresholds, sufficient shareholder spreads, and adequate working capital for ongoing operational commitments. If the Company fails to meet these requirements, ASX may refuse to re-admit the Company to official quotation. Were this to occur, the Company's Shares would remain in suspension and not be able to be traded on the ASX until such a time as the requirements could be met, if at all.

##### 4.2.2 Dilution Risk

As part of the Company's re-compliance, new shares will be issued under a Prospectus to raise funds to be utilised in the drilling of an exploration well at the Diona Project and for utilisation in the Company's working capital requirements.

As at the date of this Notice, the Company has 144,178,992 Shares on issue (calculated on a post-Consolidation basis – subject to rounding). Assuming the Maximum Subscription is raised under the Public Offer, on Completion:

- (a) existing Shareholders will retain approximately 49% of the Company's post-Consolidation issued Share capital on an undiluted basis and 44% of the Company's issued Share capital on a fully diluted basis;
- (b) the investors under the Public Offer will hold approximately 51% of the Company's issued share capital on an undiluted basis and 46% of the Company's issued Share capital on a fully diluted basis;
- (c) the number of Shares in the Company will increase from an estimated 144,178,992 to 294,178,992 (on a post-Consolidation basis). This means that on reinstatement to official quotation, the number of Shares on issue will be increased by approximately 104% of the number on issue as at the date of this Notice.

On this basis, existing Shareholders should note that if they do not participate in the Public Offer (and even if they do), their holdings may be considerably diluted (as compared to their holdings and number of Shares on issue as at the date of this Notice).

##### 4.2.3 Completion, counterparty and contractual risk

The Diona Project acquisition is subject to fulfilment of certain conditions precedent. There is a risk that the conditions precedent to the acquisition will not be fulfilled, and, in turn, the completion of the Transaction will not occur.

The ability of the Company to achieve its stated objectives will depend in part on the performance by Elixir in delivering upon the agreed terms of the Acquisition Agreement. If Elixir defaults in its performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly and without any certainty of a favourable outcome.

#### **4.2.4 Regulatory and environmental Risk**

Xstate operates in a highly regulated industry where compliance with applicable laws, regulations and governmental policies is instrumental in the success of its operations. Changes to, or non-compliance with, these regulatory requirements has the potential for a material adverse effect on the Company's capability to execute its exploration and development strategy. It is the intention of Xstate to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Company is required to obtain and maintain a range of permits and approvals in order to conduct exploration and development activities on the Diona Project. The process of securing these approvals may be subject to delays, additional conditions, or in some cases, refusal by the relevant regulatory authorities. Such outcomes could materially delay or impair the Company's ability to progress its operations or require additional capital to meet regulatory requirements.

Exploration and development activities for oil and gas are subject to strict environmental regulations. These include requirements to manage emissions, mitigate ecological impacts and rehabilitate disturbed areas. Breaches of environmental laws, accidental spills or other environmental incidents could result in significant financial penalties, reputational harm and operations delays. In addition, there is a growing emphasis on emissions reporting requirements, which may lead to further regulatory scrutiny and more stringent reporting requirements imposed upon the entity.

In addition to the above, the Company's activities may be affected by claims under native title laws or cultural heritage protection legislation. Failure to adequately address or manage these matters may result in delays, increased costs, or loss of access to certain areas, potentially impacting exploration and development timelines.

#### **4.2.5 Commodity Price Risk**

Xstate's capability to proceed with exploration and subsequent development for any successful discoveries is dependent upon market factors, some of which may be beyond the control of the Company. A sustained decline in oil and gas prices could negatively impact the Company's ability to justify the commercial viability of its exploration assets, should a discovery be made from exploratory drilling. This risk is particularly significant during the early-stage evaluation and feasibility phases, where assumptions about future commodity prices influence key investment and operational decisions.

Furthermore, fluctuations in commodity prices can affect the Company's ability to secure sufficient funding for its exploration and development activities. Weak commodity prices may reduce investor confidence and appetite for energy-related investments, increase the challenges to raise capital on favourable terms to progress projects. Whilst the Company's immediate focus is on exploration, it remains cognisant of long-term implications of commodity price trends for its strategic plans.

#### **4.2.6 Exploration Risk**

The Company faces exploration risk associated with the newly acquired Diona Project. Exploration activities hold no guarantee of resulting in discovery of commercially viable gas reserves. The success of exploration depends on various factors, including the quality of geological data, the accuracy of resource modelling, and the ability to effectively implement drilling and testing programs. Even if resources are identified, technical challenges or unfavourable subsurface conditions could render them uneconomic to develop. These uncertainties mean the Company may incur substantial exploration and appraisal costs without achieving a viable outcome.

#### 4.2.7 Market Risk

Xstate is exposed to market risks that can affect its ability to fund and advance its operations. These risks include fluctuations in broader equity markets, changes in investor demand for securities, macroeconomic factors such as inflation, interest rates, and geopolitical events. Such factors can impact the Company's Share price, liquidity, and ability to raise capital through equity or debt markets. Market volatility may also affect the valuation of the Company, influencing its capacity to attract funding or strategic partners to progress its exploration and development activities.

#### 4.2.8 Securities Investment

Investors should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the issue price of the Public Offer and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

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### 5.0 RESOLUTION 1 – APPROVAL FOR SIGNIFICANT CHANGE IN SCALE OF ACTIVITIES

#### 5.1 General

Resolution 1 seeks the approval of Shareholders to the Transaction under and for the purposes of Listing Rule 11.1.2.

A detailed description of the Transaction is outlined in section 2.1.1 above. A description of the subsequent divestment transaction of the Company's Austrian assets, not subject to shareholder approval but having impact upon the scale of activities, is outlined in section 2.1 above.

Resolution 1 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

#### 5.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the company were applying for admission to the Official List.

The Transaction will involve a significant change in nature or scale to the Company's activities and, as is usual practice, the Company is required to:

- (a) obtain the approval of its Shareholders for the proposed change of activities pursuant to Listing Rule 11.1.2; and
- (b) re-comply with the admission and quotation requirements set out in Chapters 1 and 2 of the Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under Listing Rule 11.1.2 and pursuant to Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the Listing Rules.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are provided throughout this Explanatory Statement.

If Resolution 1 and each of the other Transaction Resolutions are passed, the Company will be able to proceed with the Transaction as outlined in this Notice.

If Resolution 1 is not passed, the Company will not be able to proceed with the Transaction and re-comply with the admission and quotation requirements of Chapters 1 and 2 of the Listing Rules.

### **5.3 Board Recommendation**

The Board recommends that Shareholders vote in favour of this Resolution 1.

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## **6.0 RESOLUTION 2 – CONSOLIDATION OF CAPITAL**

### **6.1 Background:**

If Resolution 2 is passed the number of:

- (a) Shares on issue will be reduced from 321,519,150 to 144,178,992, subject to rounding: and
- (b) Options on issue will be reduced from 14,750,000 exercisable at \$0.03 each to 6,614,350 exercisable at \$0.067 each.

Resolution 2 is a Transaction Resolution and is conditional on Shareholders passing each of the other Transaction Resolutions.

### **6.2 Legal Requirements**

Section 254H of the Corporations Act 2001 provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

### **6.3 Fractional Entitlements**

Not all Security Holders will hold that number of Shares or Options which can be evenly divided by 2.23. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole security.

### **6.4 Taxation**

It is not considered that any taxation implications will exist for Security Holders arising from the Consolidation. However, Security Holders are advised to seek their own tax advice as to the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

### **6.5 Holding Statements**

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

### **6.6 Effect on Capital Structure**

Refer to section 6.1 for the effect of the Consolidation on the Capital Structure of the Company.

### **6.7 Indicative Timetable**

If Resolution 2 and each of the other Transaction Resolutions are passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A of the ASX Listing Rules):

ACTION	DATE
Company lodges Appendix 3A.3 announcing Consolidation and sends out Notice of Meeting	26 June 2025
Company tells ASX that Shareholders have approved the Consolidation	28 July 2025
<b>Effective date of Consolidation</b>	29 July 2025
Last day for pre-Consolidation trading	30 July 2025
Post-Consolidation trading starts on a deferred settlement basis	31 July 2025
Record Date. Last day for Company to register transfers on a pre-Consolidation basis	1 August 2025
First day for Company to send notice to each holder of the change in their details of holding	4 August 2025
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements	4 August 2025
Change of details of holdings date. Deferred settlement market ends	8 August 2025
Last day for Securities to be entered into Holder's Security holdings	8 August 2025
Last day for the Company to send notice to each holder of the change in their details of holding.	8 August 2025

If Resolution 2 is not passed, the Company will not be able to proceed with the Consolidation and the Company will not be able to proceed with the Transaction and re-comply with the admission and quotation requirements of Chapters 1 and 2 of the Listing Rules.

## 7.0 RESOLUTION 3 – APPROVAL TO ISSUE PUBLIC OFFER SHARES

### 7.1 General

A detailed description of the Transaction is outlined in section 2.1.1 above.

Resolution 3 seeks Shareholder approval for the issue of up to 150,000,000 Shares (on a post Consolidation basis) at an issue price of \$0.02 each to raise up to \$3,000,000 (before costs) under the Public Offer.

The Public Offer Shares are being issued under the prospectus dated 24 June 2025 (**Prospectus**) issued by the Company as part of its re-compliance with Chapters 1 and 2 of the Listing Rules.

The Company has appointed PAC Partners Securities Pty Ltd (**PAC Partners**) and BW Equities Pty Ltd (**BW Equities**) (together the **Joint Lead Managers**) as Joint Lead Managers in respect of the Public Offer on the terms summarised in section 2.4.5. Resolution 3 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions.

### 7.2 Listing Rule 7.1

Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Public Offer Shares does not fall within any of these exceptions and exceeds the 15% limit. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 3 seeks the required Shareholder approval to the issue of the Public Offer Shares under and for the purposes of Listing Rule 7.1.

If Resolution 3 and each of the other Transaction Resolutions are passed, the Company will be able to proceed with the Transaction as outlined in this Notice. Please see section 4.2.2 of this Notice for details in relation to dilution to existing Shareholders.

In addition, the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Public Offer Shares and the Transaction will not proceed.

### 7.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Public Offer Shares:

- (a) The Public Offer Shares are proposed to be issued to participants in the Public Offer who will be determined by the Joint Lead Managers in consultation with the Board and in accordance with the allocation policy set out in the Prospectus. Pursuant to Resolutions 4 – 6, the Company is seeking Shareholder approval for related parties Andrew Childs, Andrew Bald and Greg Channon (or their nominees) to participate in the Public Offer for up to 2.5 million Shares each, being more than 1.1% of the issued capital of the Company on a Minimum Subscription basis individually and 3.4% in aggregate. Shareholders will be given priority access to 33% of the Public Offer Shares, up to 50 million Public Offer Shares on a Maximum Subscription basis.

The Company is not aware whether substantial Shareholder Christopher Whitehead intends to subscribe for Shares under the Public Offer. Should he apply for Shares totalling more than 1% of the Company's issued capital, the Company may allocate these Shares to him;

- (b) A maximum of 150,000,000 Shares will be issued under the Public Offer;
- (c) The Public Offer Shares will be fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares;
- (d) The Public Offer Shares will be issued no later than 3 months after the date of the Meeting.
- (e) The issue price of the Public Offer Shares will be \$0.02 per Share.
- (f) The purpose of the Public Offer is to assist the Company to re-comply with Chapters 1 and 2 of the Listing Rules and to fund the activities set out in the proposed use of funds in section 2.5.
- (g) Further details of the Transaction are set out in section 2.
- (h) A voting exclusion statement is included in the Notice.

### 7.4 Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution 3.

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## 8.0 RESOLUTIONS 4 – 6 – APPROVAL TO ISSUE PUBLIC OFFER SHARES TO DIRECTORS

### 8.1 General

Each of the Directors (or their nominees) wishes to subscribe for up to 2,500,000 Shares at an issue price of \$0.02 each (being \$50,000 in subscription each) in the Public Offer, pursuant to Resolutions 4 – 6 (**Participation**).

### 8.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;

- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
  - 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
  - 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
  - 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,
- unless it obtains the approval of its shareholders.

The issue of Shares to Messrs Childs, Channon and Bald (or their nominees) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 4 – 6 seek the required Shareholder approval for the issue of Shares to Messrs Childs, Channon and Bald under and for the purposes of Listing Rule 10.11.

### **8.3 Technical information required by Listing Rule 14.1A**

If Resolutions 4 – 6 are passed, the Company will be able to proceed with the issue of Shares to the Directors (or nominees) within three months after the date of the Meeting as permitted by the ASX waiver obtained by the Company for waiver to Listing Rule 10.13.5 as identified in section 2.4.1(e). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4 – 6 are not passed, the Company will not be able to proceed with the issue of the Shares to the Directors.

### **8.4 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 4 – 6:

- (a) the Shares will be issued to Messrs Childs, Channon and Bald and will be comprised of the following:
  - (i) up to 2,500,000 Shares valued at \$50,000 to Andrew Childs (or his nominee) pursuant to Resolution 4;
  - (ii) up to 2,500,000 Shares valued at \$50,000 to Greg Channon (or his nominee) pursuant to Resolution 5;
  - (iii) up to 2,500,000 Shares valued at \$50,000 to Andrew Bald (or his nominee) pursuant to Resolution 6;
  - (iv) each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director.
- (b) the maximum number of Shares to be issued is 7,500,000;
- (c) the Shares will be fully paid ordinary shares in the capital of the Company and be issued on the same terms and conditions as the Company's existing fully paid ordinary shares;
- (d) the Shares will be issued by no later than the date on which the Capital Raising Shares are to be issued, which must be no later than three (3) months after the date of the Meeting, as allowed under the Waiver obtained from ASX identified in section 2.4.1(d);
- (e) the issue price of the Shares will be \$0.02 per Share, being the issue price of the Shares to be issued under the Public Offer, as identified in Resolution 3;

- (f) the purpose of the issue of the Shares is to allow each Director (or their nominee) to acquire up to 2.5 million Shares under the Public Offer, the subject of Resolution 3. The funds raised will be used toward meeting the ongoing Company objectives outlined in section 2.5;
- (g) the Company does not consider that there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Shares to the Directors upon the terms proposed;
- (h) the Securities are not being issued under an agreement;
- (i) the Securities do not form part of the remuneration of the Directors;
- (j) the relevant interests of each Director in securities of the Company are set out below on a pre-Consolidation basis:

Related Party	Shares	Options <sup>1</sup>
Andrew Childs	2,500,000	4,000,000
Andrew Bald	3,166,108	4,000,000
Greg Channon	528,493	4,000,000

<sup>1</sup> Options on issue will be reduced from 14,750,000 exercisable at \$0.03 each to 6,614,350 exercisable at \$0.067 each, expiring 30 June 2026.

- (k) the remuneration and emoluments from the Company to Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Andrew Childs	\$60,000	\$171,464
Andrew Bald	\$235,000	\$129,764
Greg Channon	\$60,000	\$126,664

- (l) some details of the trading history of shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.019	3 May 2024
Lowest	\$0.008	25 June 2024
Last	\$0.009	23 August 2024

- (m) as Messrs Childs, Bald and Channon, being all of the Directors of the Company, have a material personal interest in the outcome of the Resolutions 4 – 6, the Directors do not make a recommendation in relation to Resolutions 4 – 6;
- (n) except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 4 – 6;
- (o) the Chair intends to exercise all available proxies in favour of Resolutions 4 – 6; and
- (p) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 – 6.



## 9.0 RESOLUTION 7 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

### 9.1 General:

The Company has appointed PAC Partners Securities Pty Ltd (**PAC Partners**) and BW Equities Pty Ltd (**BW Equities**) (together the **Joint Lead Managers**) to act as Joint Lead Managers to the Public Offer under a mandate dated 23 June 2025 (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Company has agreed, subject to the successful completion of the Public Offer, to pay the Joint Lead Managers (in aggregate) a capital raising fee of 6% (plus GST) of amounts raised under the Public Offer and issue (in aggregate) the Joint Lead Managers (or their nominee/s), subject to Shareholder approval, up to 25 million unlisted Options with an exercise price of \$0.04, expiring 18 months from issue and otherwise on the terms set out in Schedule 2 (**Lead Manager Options**).

Under the Lead Manager Mandate, the Joint Lead Managers are entitled (in aggregate) to 15 million Lead Manager Options for achieving a Minimum Subscription scenario, with an additional ten (10) options issuable per dollar raised over the Minimum Subscription up to a maximum of 10 million further Lead Manager Options, totalling a maximum of 25 million Lead Manager Options (in aggregate) on a Maximum Subscription scenario.

Should the amounts raised under the Public Offer exceed \$2.5 million, the Company has agreed to pay a success fee of \$50,000 (in aggregate) to the Joint Lead Managers in addition to the compensation noted above.

The allocation of the above fees and Lead Manager Options between the Joint Lead Managers will be determined by separate agreement between the Joint Lead Managers.

Resolution 7 seeks Shareholder approval for the issue of the Lead Manager Options as part consideration for capital raising services provided as noted above.

The Lead Manager Options are to be issued for no cash consideration.

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of Lead Manager Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 9.2 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options.

### 9.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) the Lead Manager Options will be issued to the Lead Manager or its nominee/s;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties;
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Lead Manager Options to be issued is 25,000,000. The terms and conditions of the Lead Manager Options are set out in Schedule 1;
- (d) the Company has attributed a value to the maximum Lead Manager Options to be issued of \$97,500 using a Black & Scholes valuation methodology as set out in Schedule 2. Allowing for the 6% capital raising fee, the total consideration to be provided to the Joint Lead Managers for their services under the Lead Manager Mandate totals \$178,500 (ex GST) (in aggregate) on a Minimum Subscription basis (being 8.93% of the Minimum Subscription amount) and \$327,500 (ex GST) (in aggregate) on a Maximum Subscription basis (being 10.92% of the Maximum Subscription amount). It is noted that the Maximum Subscription scenario includes the success fee payment of \$50,000 (in aggregate) upon achieving applications for the Public Offer in excess of \$2.5 million;
- (e) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Lead Manager Options will occur on the same date;
- (f) no cash consideration will be paid for the Lead Manager Options. The Company will not receive any other consideration for the issue of the Lead Manager Options (other than in respect of funds received on exercise of the Lead Manager Options);
- (g) the Options are being issued to the Joint Lead Managers under their agreement to act as joint lead managers to the Public Offer under the Lead Manager Mandate, the material terms of which are summarised above. In addition:
  - (i) the Joint Lead Managers must use their best endeavours to raise the Maximum Subscription under the Public Offer; and
  - (ii) the Joint Lead Manager Mandate is otherwise on industry standard terms for an agreement of this nature.
- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover.

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## **10.0 RESOLUTION 8 – APPROVAL TO MODIFY CONSTITUTION**

### **10.1 General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 is a special resolution which will enable the Company to modify its existing Constitution to:

- (a) reflect changes to ASX Listing Rule 15 that require a company to have specific provisions in its constitution if it is to have ASX restricted securities on issue. The specific changes are detailed in section 10.2 below;
- (b) document the current maximum aggregate fixed sum per year to be paid to the Directors (excluding salaries of executive Directors) as previously approved by Shareholders on 19 May 2011 (being a maximum of \$400,000 per annum); and
- (c) update the provisions dealing with the disposal of small parcels of Shares to provide the Board greater flexibility in setting the price at which small parcels may be disposed of by the Company in accordance with the Corporations Act and the ASX Listing Rules.

Resolution 8 is a Transaction Resolution and is conditional on Shareholders passing each of the Transaction Resolutions. If Resolution 8 and each of the other Transaction Resolutions are passed, the Company will be able to proceed with the Transaction as outlined in this notice.

## 10.2 Modification to restricted securities provisions

The Company proposes to replace clause 2.11 of its Constitution with the following provisions, which reflect ASX Listing Rule 15.12.

*“The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:*

- (a) A holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.*
- (b) If the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company’s issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities.*
- (c) The Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.*
- (d) A holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.*
- (e) If a holder of Restricted Securities breaches a restriction deed or a provision of the Company’s constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.”*

## 10.3 Maximum non-executive director remuneration cap

If Resolution 8 is passed, in clause 13.8 of the Constitution where the word [insert] is stated, the amount of \$400,000, being as the initial maximum aggregate fixed sum per year to be paid to the Directors (excluding salaries of executive Directors). This is the amount last approved by Shareholders on 19 May 2011.

## 10.4 Modification to small parcel provisions

The Company proposes to amend clause 3 of its Constitution which regulates the sale of small parcels of Shares (being parcels that are not a “marketable parcel” as defined by the ASX Listing Rules, currently being Shares with a value of less than \$500). The proposed amendments will provide the Company with greater flexibility to deal with small parcels, in particular, where a holder of a small parcel does not opt out, their small parcel may be sold at a price which the Directors consider is the best price reasonably available for the Shares when they are sold.

If Resolution 8 is passed, the clause 3 of the Constitution will be amended as follows.

- (a) Clause 3.2 is amended by replacing the definition of “Authorised Price” with the following: “Authorised Price means the price which the Directors consider is the best price reasonably available for the Shares when they are sold”; and*
- (b) Clause 3.8 is amended by inserting, after the references to “cheque” the words “or electronic transfer”.*

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## GLOSSARY

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**Acquisition** means the acquisition by Xstate of a 51% interest in the Diona Project in accordance with the Acquisition Agreement.

**Acquisition Agreement** means the Acquisition Agreement between Xstate and Elixir dated 4 April 2025.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**AWST** means Australian Western Standard Time (Perth, Western Australia).

**BW Equities** means BW Equities Pty Ltd (ACN 146 642 462).

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Xstate Resources Limited (ACN 009 217 154).

**Completion** means completion of the Transaction.

**Constitution** means the constitution of the Company.

**Directors** means the current Directors of the Company.

**Elixir** means Elixir Energy Limited (ACN 108 230 995).

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by this Notice.

**Joint Lead Managers** means PAC Partners Securities Pty Ltd and BW Equities Pty Ltd.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Lead Manager Options** means unlisted options exercisable at \$0.04 within 18 months of issue on terms and conditions identified in Schedule 1.

**Maximum Subscription** has the meaning given in section 3.1.3.

**Minimum Subscription** has the meaning given in section 2.1.3.

**Notice or Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**PAC Partners** means PAC Partners Securities Pty Ltd (ACN 623 653 912).

**Priority Offer** has the meaning given in section 2.1.3

**Prospectus** has the meaning given in section 2.1.3.

**Public Offer** has the meaning given in section 2.1.3.

**Re-compliance** has the meaning given in section 2.1.2.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Transaction** means the Acquisition and the Re-compliance.

**Transaction Resolutions** has the meaning given in section 1.

CERTIFICATE OF APPOINTMENT OF CORPORATE REPRESENTATIVE

Shareholder Details

This is to certify that by a resolution of the directors of:

.....(*Company*),  
*Insert name of Shareholder Company*  
the Company has appointed:

.....,  
*Insert name of corporate representative*

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that Company at an Annual General Meeting of the members of Xstate Resources Limited to be held on 28 July 2025 commencing at 10:00 am (AWST) and at any adjournments of that general meeting.

DATED .....

Please sign here

Executed by the Company )  
in accordance with its constituent documents )  
)

..... Signed by authorised representative	..... Signed by authorised representative
..... Name of authorised representative (print)	..... Name of authorised representative (print)
..... Position of authorised representative (print)	..... Position of authorised representative (print)

Instructions for Completion

- Insert name of appointing Shareholder Company and the name or position of the appointee corporate representative (eg “John Smith” or “each director of the Company”).
- Execute the Certificate following the procedure required by your Constitution or other constituent documents.
- Print the name and position (eg director) of each authorised company officer who signs this Certificate on behalf of the Company.
- Insert the date of execution where indicated.
- Prior to the Meeting, send or deliver the Certificate to Level 1, 31 Cliff Street, Fremantle, Perth, WA, 6160 or email the Certificate to the Company Secretary at [companysecretary@xstateresources.com.au](mailto:companysecretary@xstateresources.com.au)

# XSTATE RESOURCES LIMITED

ACN 009 217 154

## SCHEDULE 1

### UNLISTED LEAD MANAGER OPTION TERMS AND CONDITIONS

The material terms and conditions of the Lead Manager Options are as follows:

- (a) The Options are unlisted.
- (b) The Options will be issued with an exercise price of \$0.04 each ("**Exercise Price**").
- (c) The Options are exercisable at any time on or before the date 18 months following issue ("**Expiry Date**").
- (d) The Options have no vesting conditions.
- (e) Each Option exercised will entitle the holder to one Share in the capital of the Company.
- (f) Options may be exercised by the holder completing and forwarding to the Company a Notice of Exercise in a form approved by the Company and payment of the Exercise Price for each Option being exercised prior to the Expiry Date.
- (g) The Options do not confer voting rights upon the holder. Voting rights are received upon conversion of the Options into Shares.
- (h) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares.
- (i) Shares issued pursuant to the exercise of Options will be issued not more than 5 business days after the receipt of a properly executed Notice of Exercise and payment for the Exercise Price of each Option being exercised. The Company will apply for official quotation on ASX of Shares issued pursuant to the exercise of Options, subject to the Company being listed on the ASX at that time.
- (j) The holder of Options cannot participate in new issues of securities to holders of Shares unless the Options have been exercised and the Shares have been issued and registered in respect of the Options before the record date for determining entitlements to the issue. The Company must give notice to the holder of the Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules. Options can only be exercised in accordance with these terms and conditions.
- (k) If the Company makes a bonus issue of Shares to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), then the number of Shares or other securities for which the holder of the Options is entitled to subscribe on exercise of the Options is increased by the number of Shares or other securities that the holder of the Options would have received if the Options had been exercised before the record date for the bonus issue. No change will be made to the Exercise Price.
- (l) If the Company makes a pro-rata issue of Shares to existing shareholders (except a bonus issue), the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New Exercise Price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option

E = the number of underlying Shares into which one option is exercisable

P = volume weighted average market price (as defined by ASX LRs) per share during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those issued under the pro rata issue.

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

# **XSTATE RESOURCES LIMITED**

**ACN 009 217 154**

## **SCHEDULE 1 (cont'd)**

- (m) If at any time the capital of the Company is reorganised, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (n) The Optionholder agrees that, if the Company is re-admitted to the Official List of the ASX, the Options (and any Shares issued on exercise of the Options) may be subject to restriction in accordance the ASX Listing Rules, and authorises the Company to give effect to any such restriction, including putting a holding lock on any Shares issued on exercise of the Options, and agrees to execute on request by the Company (and procure that any controller if any, as defined in the ASX Listing Rules, also executes on request) any restriction agreement required by the ASX Listing Rules in respect of the Options (and any Shares issued on exercise of the Options).

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# XSTATE RESOURCES LIMITED

ACN 009 217 154

## SCHEDULE 2

### VALUATION OF LEAD MANAGER OPTIONS

The Company has valued the Lead Manager Options using the Black-Scholes option model and based on the assumptions as set out in the table below, with the Lead Manager Options ascribed a value as follows. The assumptions in the table below are on a post-Consolidation basis on the assumption Resolution 4 is approved:

#### ***Assumptions:***

Value date	18 June 2025
Share price	\$0.02
Exercise price	\$0.04
Term	18 months
Expiry Date	To be determined
Volatility	80%
Risk free interest rate	3.41%
Indicative value per Option (cents)	0.39

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# XSTATE RESOURCES LIMITED

ACN 009 217 154

## SCHEDULE 3

### Indicative Consolidated Pro Forma Statement of Financial Position<sup>1</sup>

	As at 31-Dec-24 \$	Subsequent Events	Following Minimum Capital Raising \$	Following Maximum Capital Raising \$
Cash and cash equivalents	\$3,555,128	(\$250,000)	\$4,985,922	\$5,865,922
Trade and other receivables	\$10,524	-	\$10,524	\$10,524
Prepayments	\$26,405	-	\$26,405	\$26,405
Non-current assets held for sale	\$61,691	(\$61,691)	-	-
<b>Total Current Assets</b>	<b>\$3,653,748</b>	<b>(\$311,691)</b>	<b>\$5,022,851</b>	<b>\$5,902,851</b>
Oil and gas assets	\$781,408	(\$531,408)	\$250,000	\$250,000
Deferred tax asset	\$91,199	-	\$91,199	\$91,199
Other receivables	-	\$11,715	\$11,715	\$11,715
<b>Total Non-current Assets</b>	<b>\$872,607</b>	<b>(\$519,693)</b>	<b>\$352,914</b>	<b>\$352,914</b>
<b>Total Assets</b>	<b>\$4,526,355</b>	<b>(\$831,384)</b>	<b>\$5,375,765</b>	<b>\$6,255,765</b>
Trade and other payables	(\$893,393)	\$633,090	(\$260,303)	(\$260,303)
Current tax liability	(\$34,719)	-	(\$34,719)	(\$34,719)
Employee benefits	(\$1,547)	-	(\$1,547)	(\$1,547)
Liabilities associated with non-current assets held for sale	(\$49,843)	\$49,843	-	-
<b>Total Current Liabilities</b>	<b>(\$979,502)</b>	<b>\$682,933</b>	<b>(\$296,569)</b>	<b>(\$296,569)</b>
Site Restoration Provision	(\$144,801)	\$79,130	(\$65,671)	(\$65,671)
<b>Total Non-current Liabilities</b>	<b>(\$144,801)</b>	<b>\$79,130</b>	<b>(\$65,671)</b>	<b>(\$65,671)</b>
<b>Total Liabilities</b>	<b>(\$1,124,303)</b>	<b>\$762,063</b>	<b>(\$362,240)</b>	<b>(\$362,240)</b>
<b>Net Assets</b>	<b>\$3,402,052</b>	<b>(\$69,321)</b>	<b>\$5,013,525</b>	<b>\$5,893,525</b>
Share capital	\$58,083,830	-	\$59,776,830	\$60,616,830
Reserves	\$365,900	-	\$425,900	\$465,900
Accumulated losses	(\$55,047,678)	(\$69,321)	(\$55,179,205)	(\$55,189,205)
<b>Total Equity</b>	<b>\$3,402,052</b>	<b>(\$69,321)</b>	<b>\$5,013,525</b>	<b>\$5,893,525</b>

<sup>1</sup> The pro-forma statement of financial position does not take into account working capital movements for the period from 1 January 2025 until completion of the Offer.

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**PROXY FORM**  
**XSTATE RESOURCES LIMITED**  
**ACN 009 217 154**  
**GENERAL MEETING**

I/We

of (Address):

being a Member of Xstate Resources Limited entitled to attend and vote at the General Meeting, hereby appoint:

Name:

Name of proxy (**Please note:** Leave blank if you have selected the Chair of the Annual General Meeting as your proxy.)

OR ☐ the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions or if no directions have been as the proxy sees fit, at the Annual General Meeting to be held at 10:00 am (AWST) on 28 July 2025 at Vibe Hotel, 9 Alvan Street, Subiaco, Western Australia 6008, and at any adjournment of that meeting.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. In exceptional circumstances, the Chair of the Meeting may change their voting intention on any resolution, in which case an ASX announcement will be made immediately disclosing the reasons for the change.**

Voting on Business of the Annual General Meeting	FOR	AGAINST	ABSTAIN
Ordinary Resolution 1 – Approval for Significant Change in Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 2 – Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 3 – Approval to Issue Public Offer Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 4 – Approval to Issue Public Offer Shares – A Childs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 5 – Approval to Issue Public Offer Shares – A Bald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 6 – Approval to Issue Public Offer Shares – G Channon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 7 – Approval to Issue Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 8 – Approval to Modify Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_%.

Signature of Member(s) \_\_\_\_\_ Date: \_\_\_\_\_

Individual or Member 1

Sole Director / Company Secretary

Member 2

Director

Member 3

Director / Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

Date: \_\_\_\_\_

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - In person to Level 1, 31 Cliff St, Fremantle, WA, 6160.
  - By mail to PO Box 584, Fremantle, WA, 6959 or
  - By scan and email to the Company Secretary at [companysecretary@xstateresources.com.au](mailto:companysecretary@xstateresources.com.au)

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**